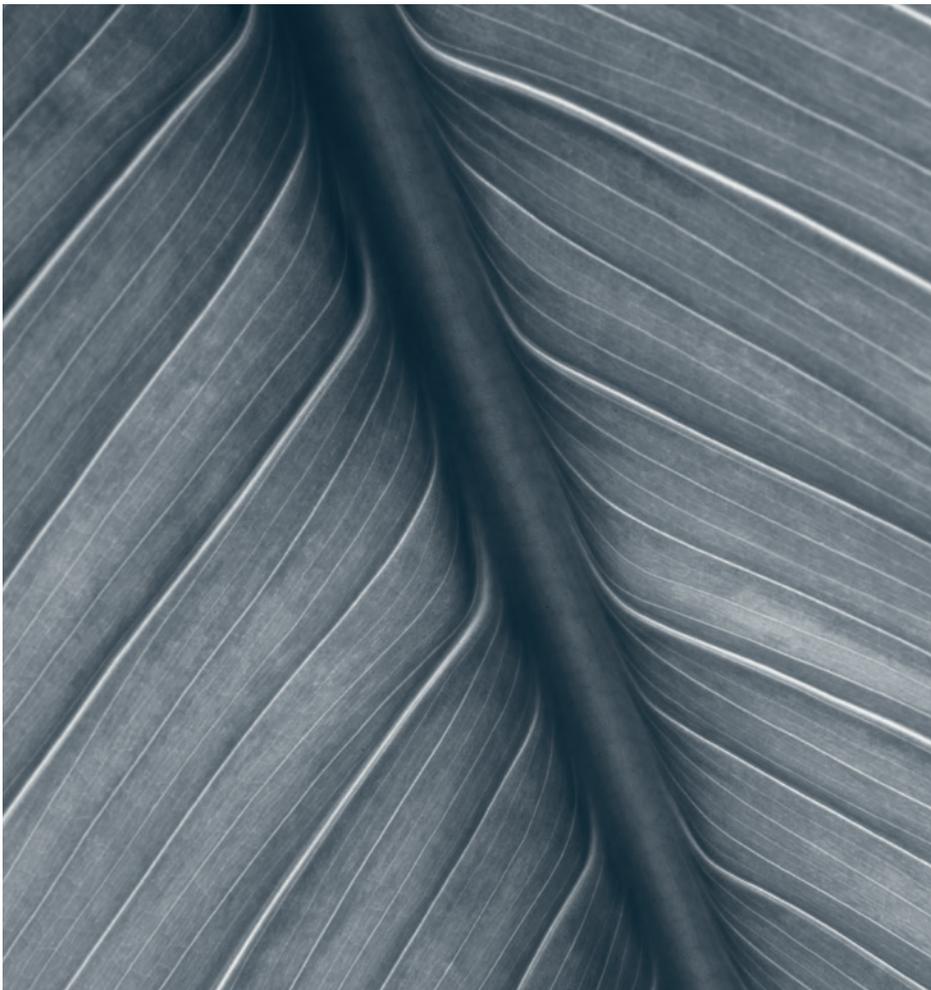




ANNUAL REPORT
2018



ANNUAL REPORT

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REPORT OF THE MANAGING BOARD

Market and Economic Developments 2018

Divergent Economic Growth Amid Series of Shocks

Following rapid and synchronized global growth in 2017, the world economy lost some momentum in 2018. While the US economy continued to grow primarily as a result of significant tax cuts and deregulation, economic confidence was undermined elsewhere by a series of shocks, including growing trade tensions, a temporary spike in oil prices, unsteady emerging markets amid monetary tightening by the US Federal Reserve, concerns about fiscal sustainability in Italy and lingering uncertainty about the conditions under which the United Kingdom will leave the European Union. As a result, growth in the major economies diverged increasingly, with year-on-year GDP growth in the US of +2.9% in 2018 compared with +1.8% in the euro Area.

Monetary Policy Divergence and Dollar Appreciation

Economic divergence was mirrored in monetary divergence. Although inflation remained well-behaved in the US, tight labor market conditions and rising capacity utilization prompted the US Federal Reserve to continue to raise interest rates. With four rate hikes totalling 100bps, the upper limit of the federal funds target range reached 2.5%. These rate hikes were accompanied by quantitative tightening to reduce the US Federal Reserve's balance sheet. By contrast, the European Central Bank remained on hold in terms of its policy rates, resulting in widening interest rate differentials and dollar appreciation versus the Euro of almost 5%.

Rising Market Volatility due to Growth Concerns

Higher short-term and long-term interest rates and dollar appreciation led to a significant tightening of financial conditions in the United States. With economic growth slowing in Europe and China, market participants became increasingly concerned about the outlook for the US, notwithstanding robust fundamentals. As a result, market volatility rose meaningfully, as evidenced by a 50% increase in the VIX index. Meanwhile, stocks in the US and around the globe came under significant selling pressure, adding further to the tightening of financial conditions. Growth concerns were accentuated by the flattening of the US yield curve, with the difference between 10-year yields and 2-year yields narrowing to only 17bps by the end of 2018.

Slower Issuance of Leveraged Finance

As market participants repriced macro risk, demand for high-yield bonds and leveraged loans slowed substantially. In the US and European high-yield markets, issuance in the final quarter fell to around USD 23 billion, almost 80% less than in Q4 2017. As a result, the annual volume decreased to USD 244 billion, the smallest amount since 2009. Although the decline in issuance in the leveraged loan market was comparatively less dramatic (-7%), overall leveraged finance volume in the US and Europe shrank by almost 17%.

Declining Momentum in M&A Market and Leveraged Buyouts

The repricing of risk and the surge in market volatility took a toll on M&A activity. In the second half of 2018, global M&A volume slowed to around USD 1.75 trillion, about 27% less than in the preceding six-month period. However, thanks to a very robust first half of the year, annual M&A volume was still significantly higher than in 2017. As far as leveraged buyouts ("LBOs") are concerned, deal volume almost halved in the second half of 2018, resulting in an annual decline of 18% compared with 2017. Although the slowdown in LBO activity during 2018 was particularly pronounced in the US, it remained the most active region, accounting for more than 50% of the USD 258 billion deal volume worldwide.

Resilience on the Exit Side

More challenging financial market conditions also impacted divestments of private equity-backed portfolio companies. However, although exits - especially via initial public offerings - slowed during the year as market volatility rose, this slowdown was not large enough to prevent exit volume from rising on a year-on-year basis. For transactions for which deal values are known, the global transaction value rose 4% to USD 352 billion.

Buoyant Interest in Private Equity as an Asset Class

Dislocations in global equity and credit markets did not discourage investors to commit large amounts of capital to private equity funds (encompassing funds targeting buyouts, venture capital, growth capital, mezzanine and distressed debt). Although inflows to partnerships that had their final close in 2018 fell 12% compared with the previous year, at almost USD 447 billion 2018 was the third most active fundraising year on record. Commitments to buyout funds totalled USD 245 billion, or 55% of total commitments, broadly in line with previous years.

Further Increase in Dry Powder

Reflecting deal activity and fundraising, unfunded commitments continued to rise in 2018. At the end of the year, dry powder of private equity funds as defined above stood at USD 1,310 billion, USD 173 billion more than at the end of 2017. Broadly consistent with their share in the fundraising market, buyout funds accounted for 53% of unfunded commitments.

Business Overview

Over the course of the last 19 years, AlInvest has become one of the largest private equity investors in the world and today pursues opportunities across the private equity spectrum, including large and middle market buyout, growth capital, distressed debt, venture capital, and private subordinated debt. AlInvest invests globally throughout North America, Europe, Asia Pacific, and emerging and other non-traditional markets. These investments generally fall within three investment strategies: Primary Fund Investments, Secondary Investments and Co-Investments. During 2018, the team that focused on Partnership Investments was discontinued. However, we still believe that investing directly in GPs can be an attractive strategy and are considering alternatives to pursue opportunities in this segment.

As of December 31, 2018, aggregate capital committed¹ to AlInvest had grown to more than €74 billion from 190 investors worldwide. We believe that this growth is a clear indication of the support we have received from our investors and is also a reflection of the increasing importance of private equity in developed economies, including many Asian economies.

AlInvest employed 102 full-time employees ("FTE") as of December 31, 2018, and the male/female ratio of all employees is 56:44. AlInvest is committed to building a diverse work environment and shaping an inclusive culture for its staff, which we believe are essential to making good investment decisions and generating attractive results for our investors. In 2018, we launched a new Diversity and Inclusion Framework, which we seek to build out further during 2019.

The size and composition of the Board are based on the profile and strategy of the Company. The professional expertise, experience and various competences of the members of the Board should support this profile and strategy. AlInvest strives to have

¹ Total capital committed to AlInvest and its affiliates includes €7.0 billion of investor mandates that are managed on behalf of investors by AlInvest Partners B.V. (or its controlled affiliates), but for which the investment decisions were made by parties other than AlInvest or its affiliates (€6.7 billion before the end of 2002 and €0.2 billion was committed before AlInvest began managing such investments in 2013).

REPORT OF THE MANAGING BOARD

(CONT'D)

a balanced composition of the Board, and will consider diversity including, where possible, age and gender, as one of the selection criteria when proposing new members for the Board in the future. Since January 1, 2016, the Board has been comprised of one female and three male members.

Responsible Investment

Since 2008, Alpinvest implemented a formal process to integrate Responsible Investment into its investment process and to promote Responsible Investment as an investment consideration, both within its investment selection process and more broadly among general partners. Alpinvest's Responsible Investment strategy is overseen by the

Operating Committee, and a dedicated Responsible Investment officer is responsible for its development and integration. The investment teams are closely involved in the execution of this strategy and, together with the legal team, are responsible for ensuring that a fund's investments comply with the criteria which have been agreed upon with the limited partners in the fund. Every new investment is screened through Alpinvest's Responsible Investment due diligence process.

Alpinvest is a signatory to the Principles for Responsible Investment, which were developed by a group of leading institutional investors in conjunction with the United Nations.

Since 2009, Alpinvest has been publishing a detailed Annual Review, which provides further information on the development of our business and can be found on Alpinvest's website.

Returns

The table below represents the development of the gross and net life-to-date internal rate of return ('IRR') of investments made by Alpinvest on behalf of all investors combined. The year 2018 ended with a 15.7% year-to-date net return including currency impact on the assets under management (12.8% excluding exchange rate adjustments).

THE DEVELOPMENT OF THE GROSS AND NET LIFE-TO-DATE IRR² OVER THE PAST FIVE YEARS

as per December 31, 2018

End of year	2014	2015	2016	2017	2018
Gross IRR	12.5%	12.7%	12.6%	13.0%	13.2%
Net IRR	11.6%	11.9%	11.8%	12.2%	12.3%

Past performance is not indicative of future results or a guarantee of future returns. Return metrics are subject to change as a fund or investment portfolio matures.

² Performance information is based on the private equity and mezzanine primary fund investments, secondary investments and co-investments originated and made by Alpinvest and its affiliates on behalf of its investors on a combined basis. Excluded from the performance information shown are a) investments that were not originated by Alpinvest and b) Direct Investments, which was spun off from Alpinvest in 2005, and c) LP co-investment vehicles.

Gross internal rate of return ("Gross IRR") represents the annualized IRR for the period indicated on Limited Partners' invested capital based on investment contributions, distributions and unrealized value before Alpinvest management fees, expenses and carried interest, which will reduce returns and in the aggregate are expected to be substantial.

Net internal rate of return ("Net IRR") represents the annualized IRR for the period indicated on Limited Partners' invested capital based on investment contributions, distributions and unrealized value after Alpinvest management fees, expenses and carried interest. To exclude the impact of FX, all non-Euro currency cash flows have been converted to EUR at the reporting period spot rate.

New commitments

The table below comprises all commitments received by Alpinvest as of December 31, 2018, both cumulative and per annum.

ALPINVEST CUMULATIVE AND ANNUAL COMMITMENTS³

(€bn)

Cumulative commitments	Up to 2014	2015	2016	2017	2018
Fund Investments	37.9	39.2	39.7	40.5	41.5
Secondary Investments	9.5	10.2	13.4	14.6	15.7
Co-Investments	8.2	8.9	9.1	11.6	12.4
Mezzanine Investments	3.5	3.7	3.7	3.8	3.8
Direct Investments	1.1	1.1	1.1	1.1	1.1
Total	60.2	63.0	67.0	71.7	74.5

Annual commitments	Up to 2014	2015	2016	2017	2018
Fund Investments	37.9	1.4	0.5	0.8	1.0
Secondary Investments	9.5	0.7	3.2	1.2	1.0
Co-Investments	8.2	0.6	0.2	2.6	0.7
Mezzanine Investments	3.5	0.1	0.1	0.1	0.0
Direct Investments	1.1	0.0	0.0	0.0	0.0
Total	60.2	2.8	4.0	4.6	2.8

Risks

Risk management is fundamental to our business. Alpinvest insists on the highest standards of integrity and employs a rigorous risk management framework across all geographies and professional functions.

Alpinvest regularly assesses and addresses all material financial risks, business risks, event-driven risks, information risks, and compliance risks applicable to its business. Each risk category has been defined and an assessment has been made of the likelihood of the risk occurring and the resulting impact if the risk event does occur. Control procedures have been put in place to help mitigate these risks. Alpinvest aims to mitigate and thus lower residual risk to the extent possible. None of the risks described below had a material impact on Alpinvest during 2018.

Alpinvest's Risk Management function is reviewed annually, including the adequacy and effectiveness of control measures in place. No material changes to the control measures were made during 2018.

Financial Risks

Alpinvest has limited exposure to financial assets. Cash is typically held in short-term deposits with reputable banks or with the parent company of Alpinvest, The Carlyle

Group. With regards to the funding provided to the Company's main operating subsidiaries, foreign currency exposure will be hedged depending on exchange rate developments.

With regards to the foreign exchange movements related to investments, Alpinvest's allocation and cash management processes are designed to take currency effects into account and Alpinvest's FX Panel meets regularly to discuss foreign exchange exposure and whether hedging is required.

Further, Alpinvest regularly assesses and maintains appropriate levels of liquidity and solvency and has within the terms of the relevant mandates access to credit facilities and sufficient liquidity from its investors in order to fund its investments. Cash management control procedures include cash flow forecasting and monitoring of liquidity.

Business and Event-Driven Risks

Alpinvest is dependent on funding from its investors, which are reputable pension funds and other reputable institutional investors. Investors can change their strategies regarding allocations to the private equity asset class or decide to engage competing firms to manage their assets. A mitigating factor is that investment management

agreements with our investors typically offer continuity to Alpinvest for a prolonged period of time. Also, we update our investors on a regular basis with detailed information concerning their portfolios and strive to ensure that our strategies remain aligned. In addition, we continue to diversify and expand our investor base.

Alpinvest is exposed to a range of operational risks that can arise from inadequate or failed systems, processes and people, as well as external factors that may affect them. To mitigate these risks, adequate segregation of duties and independent review procedures are in place. Alpinvest's Policies and Procedures Manual defines control measures to help assure integrity, reliability, availability, and continuity of data and data processing. Business operations are monitored through management reports and review procedures.

Contractual and other obligations as well as investor expectations, also considering the growing number and complexity of investment management agreements, require adequate human resources with the appropriate level of expertise. Therefore, staffing is discussed regularly and Alpinvest focuses continuously on retaining staff by offering room for growth and competitive compensation. There is also the risk that

³ Total capital committed to Alpinvest includes €7.0bn of investor mandates that are managed on behalf of investors by Alpinvest Partners B.V. (or its controlled affiliates), but for which the investment decisions were made by parties other than Alpinvest or its affiliates (€6.7bn before the end of 2002 and €0.2bn billion was committed before Alpinvest began managing such investments in 2013).

REPORT OF THE MANAGING BOARD

(CONT'D)

senior management expertise may be lost. To create long-term alignment with AlInvest, a significant proportion of their remuneration is based on long-term incentives.

AlInvest's business processes may be disrupted due to our information technology infrastructure not meeting the demands of a changing environment. Security measures such as firewalls and access controls are present to protect confidential data. To enhance availability and maintenance of systems, IT service management has been outsourced to a third-party service provider. Their performance is monitored to ensure compliance with the applicable service level agreement.

AlInvest may be negatively affected or disrupted by several factors, such as unenforceable contracts, lawsuits, adverse judgments, fraud, and negative publicity. To help reduce this likelihood, we rigorously assess the companies in which we invest. Any indication of unethical practices is identified during the due diligence process or later through interaction with portfolio companies. Investing guidelines are stipulated in all of our mandates, while our legal department manages all contracts.

Controls around, and associated risks in, the investment process are addressed in the ISAE 3402 type II Report, which is audited by EY. An ISAE 3402 (previously SAS 70) report for AlInvest is available for the last 16 years.

Information Risk

AlInvest exchanges a significant amount of data with (prospective) investors and other constituents. Review and compliance approval procedures are in place to limit the risk that this information is inaccurate or can be misinterpreted. In addition, AlInvest is continuously working on new and more efficient ways of reporting to meet the growing information needs from our investors.

Compliance Risk

AlInvest seeks to comply with all applicable legal, regulatory and other external requirements, as well as contractual agreements. Our in-house team of senior legal and tax professionals provides advice, reviews and negotiates documentation, and helps us to meet our regulatory obligations. An external law firm monitors and updates AlInvest on relevant legal and regulatory developments.

In 2015, AlInvest obtained an Alternative Investment Fund Managers Directive ('AIFMD') and related Markets in Financial Instruments Directive II ("MiFID II") license from the Netherlands Authority for the Financial Markets for the management of fund-of-funds and private equity investment products for professional investors. AlInvest has aligned its existing policies, including those covering transparency, remuneration, service providers, risk management, conflicts of interest, compliance, and anti-money laundering, with the requirements of the AIFMD and MiFID II.

In 2015, AlInvest also obtained a Cross Border Discretionary Investment Management license from the South Korean Financial Services Commission to allow AlInvest to market managed account products and provide investor support services in relation thereto to Korean professional investors.

In September 2015, AlInvest Partners Ltd. was granted a License from the Securities & Futures Commission of Hong Kong to carry on Type 1 (dealing in securities) regulated activity in Hong Kong.

AIFMD Investment Manager Remuneration

AlInvest has adopted a Remuneration Policy with respect to Remuneration of Identified Staff, which encompasses those individuals that are employed by AlInvest and whose professional activities have an actual or potential significant impact on (a) AlInvest's results and balance sheet; or (b) the performance of the Alternative Investment Funds (AIFs).

AlInvest typically offers fixed compensation and variable remuneration to Identified Staff, which both fall under the scope of this Policy.

Variable remuneration can consist of one or more of the following elements: carried interest, a discretionary annual cash payment based on individual performance and performance of AlInvest overall, and in addition, certain Identified Staff may receive DRUs. DRUs represent an unfunded, unsecured right of Identified Staff to receive Common Units issued by The Carlyle Group L.P. on the delivery date.

A more detailed overview of AlInvest's remuneration policy can be found in note 8.1 to the financial statements.

Operating Performance AlInvest Partners B.V.

Revenues in 2018 were in line with last year. The higher Operating Result is a result of a decrease in operating expenses, especially driven by lower personnel expenses and management fees paid to third parties.

AlInvest employed 102 FTE at year end. The total capital under management of the AlInvest group was managed by 157 FTE as per December 31, 2018 compared to 145 the year before. Currently, we foresee total FTE to grow slightly during 2019 and envisage to add resources both to our investment teams to support the deployment of the capital we raised, as well as to our investor services team, to be able to continue to provide high-quality services to all our investors.

Changes in AlInvest's Board Composition

Subject to regulatory approval, Ruulke Bagijn, the new Head of Carlyle Investment Solutions, and Erica Herberg, the new Chief Financial Officer of Carlyle Investment Solutions, will join the AlInvest Board. Lauren Dillard will step down from the Board on May 28, 2019. We are grateful for Ms. Dillard's support in building our business over the past several years and wish her continued success.

KEY FIGURES FOR 2018

(€m)	2014	2015	2016	2017	2018	CAGR 2014-2018
Revenues	133	114	144	162	166	6%
Operating result before taxation	70	48	73	93	104	10%
Cumulative capital committed by AlInvest as at year end	54,000	57,000	60,000	62,000	65,000	5%
Cumulative capital invested as at year end ⁴	46,000	51,000	54,000	58,000	62,000	8%
Total number of FTE as at year end ⁵	99	94	97	89	102	1%

OUTLOOK FOR 2019 >>

After a rocky finish to 2018, the economic outlook for 2019 remains clouded with significant uncertainties. In addition to challenges that emerged in 2018 and even before, the effects of the US tax reform will be petering out in 2019.

While macroeconomic risks are thus tilted to the downside, there is cautious optimism that a recession can be avoided in 2019. Inflation and inflation expectations have remained muted, which allows the Federal Reserve and other central banks to take a gradual approach to policy normalization. There are no major financial imbalances, which in the past have often foreshadowed a recession.

Additionally, although corporate debt has increased significantly in the US, the private-sector balance (total income to total spending) still looked healthy at the beginning of the year.

Notwithstanding these mitigating factors, global economic growth - and hence corporate earnings growth - is poised to slow. As the world economy loses steam, market volatility is likely to remain elevated. For long-term investors who are able to look through temporary dislocations, more volatile conditions may bring about attractive investment opportunities as asset owners' propensity to divest could rise.

Given AlInvest's substantial experience with previous investment cycles, we are confident that our highly disciplined allocation approach will continue to serve us well in navigating potential pitfalls in a downturn. Rigorous due diligence and portfolio diversification across strategies, geographies and vintage years will remain key pillars of this approach, which is expected to position us well to maximize risk-adjusted returns for our clients in an environment that could become more challenging.

Proposed Profit Appropriation and Dividend

We propose to distribute €28.7 million from the other reserves as a dividend to the shareholders.

Amsterdam, May 28, 2019

The Managing Board

J.P. de Klerk, Chairman
L.B. Dillard
W.M. Moerel
G.A. Youngkin

AlInvest Partners B.V.
Jachthavenweg 118
1081 KJ Amsterdam
The Netherlands



⁴ Cumulative capital committed by AlInvest and cumulative capital invested as at year-end include €6bn of investments that are managed on behalf of its investors by AlInvest, but for which the investment decisions were made by parties other than AlInvest.

⁵ The total capital under management of the AlInvest group was managed by 157 FTE as per December 31, 2018 (including FTE associated with AlInvest US Holdings LLC).

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CONSOLIDATED BALANCE SHEET

(before proposed profit appropriation)

(€ thousands)	December 31, 2018	December 31, 2017
ASSETS		
Fixed assets		
Tangible fixed assets ^{4.1}		
Other fixed assets	693	947
Financial fixed assets ^{4.2}		
Investments in private equity funds	54,373	31,733
	55,066	32,680
Current assets		
Accounts receivable		
Receivables ^{4.3}	14,751	9,687
Receivables from Group companies ^{4.4}	3,624	107
Receivables from related parties ^{4.4}	24,489	8,810
Corporate income tax receivables ^{4.5}	1,928	1,639
Pensions ^{4.6}	1,532	1,048
Prepayments and accrued income ^{4.7}	4,192	4,792
	50,516	26,083
Cash and cash equivalents ^{4.8}		
Cash	48,752	34,444
	48,752	34,444
Total assets	154,334	93,207
LIABILITIES AND EQUITY		
Group equity		
Equity attributable to shareholders of the parent company ^{4.9}	38,693	18,113
Equity attributable to other shareholders ^{4.10}	78,526	42,974
Provisions		
Provisions leasehold improvements ^{4.11}	286	273
Provision fundraising expenses ^{4.11}	672	838
Current liabilities		
Creditors	95	490
Payable to group companies	13,404	5,461
Other tax and social security payables	2,786	1,982
Corporate income tax liabilities ^{4.12}	5,368	10,347
Other short-term liabilities ^{4.13}	14,503	12,728
	36,157	31,008
	154,334	93,207

The reference numbers relate to the notes which form an integral part of the financial statements.

CONSOLIDATED INCOME STATEMENT

(€ thousands)	2018	2017
Net revenue ^{5.1}	165,697	161,893
Total operating income	165,697	161,893
Personnel expenses ^{5.2}	47,396	49,432
Social Security expenses ^{5.2}	960	776
Depreciation ^{5.3}	470	329
Administrative expenses ^{5.4}	10,854	10,452
Management fee expenses ^{5.5}	1,942	8,233
Total operating expenses	61,622	69,222
Operating profit/(loss)	104,076	92,671
Interest and other financial income ^{5.6}	4,174	5,671
Interest and other financial expense ^{5.7}	(146)	(192)
Total financial income and expense	4,028	5,479
Result before taxation	108,103	98,150
Corporate income tax ^{5.8}	(18,651)	(21,613)
Net result after tax	89,453	76,537
Share third parties ^{5.9}	(60,767)	(43,560)
Net result after tax and share third parties	26,686	32,977

The reference numbers relate to the notes which form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

(€ thousands)	2018		2017
Cash flow from operating activities			
Net result after tax	28,686		32,977
Adjustments			
Depreciation ^{4.1}	476		329
Result on disposals ^{4.1}	(6)		-
Unrealised result financial fixed assets ^{4.2}	(4,113)		(4,854)
Share third parties ^{4.10}	60,767		43,560
Pension and other long-term employee benefits ^{4.6}	1,426		1,296
	58,550		40,331
Movements in working capital, long-term liabilities and provisions			
Receivables	(23,950)		5,917
Current liabilities	5,149		2,243
Other provisions	(154)		978
Pension and other long-term employee benefits ^{4.6}	(1,910)		(1,610)
	(20,865)		7,528
Net cash from operating activities	66,371		80,837
Cash flow from investing activities			
Additions to/investments in:			
Tangible fixed assets ^{4.1}	(210)		(750)
Financial fixed assets ^{4.2}	(17,591)		(13,878)
Proceeds from/divestments of:			
Tangible fixed assets ^{4.1}	6		0
Financial fixed assets ^{4.2}	279		3,065
Net cash used in investing activities	(17,515)		(11,563)
Cash flow from financing activities			
Dividend paid to shareholders of the parent company ^{7.7}	(7,569)		(28,601)
Contributions from non-controlling shareholders ^{4.10}	20,023		12,971
Dividends paid to third parties ^{4.10}	(46,183)		(38,068)
Net cash used in financing activities	(33,729)		(53,698)
Net cash flow	15,127		15,576

The reference numbers relate to the notes which form an integral part of the financial statements.

Movements in cash and cash equivalent deposits can be broken down as follows:

	2018		2017
	Cash	Total	Total
Balance on January 1	34,444	34,444	20,158
Movements during the year	15,127	15,127	15,576
Currency differences	(819)	(819)	(1,290)
Balance on December 31	48,752	48,752	34,444

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

General

Unless indicated otherwise, the notes refer to both the consolidated and company financial statements and all amounts are stated in thousands of euros.

Operations

AlpInvest Partners B.V. (the "Company") was incorporated on February 1, 2000, as NIB Capital Private Equity N.V. The Company primarily engages in private equity investment management and financing services, and invests, directly and indirectly, in private equity related instruments on behalf of its clients. This includes participating interests in private equity funds and other such strategic alliances that invest in private equity (both listed and unlisted), as well as public and private participations and interests in, and management of, companies of whatever nature, financing of third parties and performance of such activities as are related or conducive to those listed above.

The statutory seat of the Company is at Jachthavenweg 118, 1081 KJ Amsterdam, the Netherlands. The Company is registered with the Chamber of Commerce with establishment number 000006213448. The ultimate owner of AlpInvest Partners B.V. is The Carlyle Group L.P which is incorporated in Delaware, USA.

Group structure

The shares of the Company are owned by AP B.V., a company ultimately owned by The Carlyle Group.

Reference is made to note 7.3 of these statements for an overview of Group companies.

Consolidation

The consolidated financial statements comprise the financial data of AlpInvest Partners B.V. and all Group companies in which AlpInvest Partners B.V. exercises a controlling influence on management and financial policy ("Group companies"). In case financial instruments are held containing potential voting rights that can be exercised immediately, these are also taken into account. A "Special Purpose Entity" can also be a Group company. The investment entities of which the Company or one of its subsidiaries is only the General Partner or Director are not consolidated.

Companies are consolidated in full from the date on which control is obtained and until the date that control no longer exists. The items in the consolidated financial statements are

determined in accordance with consistent accounting policies. Intercompany transactions, profits and losses and balances among Group companies are eliminated, unless these results are realized through transactions with third parties.

Since the company income statement is included in the consolidated financial statements, an abridged income statement has been disclosed (in the company financial statements) in accordance with Section 402, Book 2, of the Netherlands Civil Code.

Related parties

The investment entities managed by the Company or any of its Group companies are considered related parties. Directors and employees that have a significant influence over the reporting entity or are in a Financial Reporting Oversight Role and other shareholders of Group companies are also considered related parties.

All companies belonging to The Carlyle Group that are not consolidated by the Company and related parties of The Carlyle Group are also considered related parties of the Company. These consist of investment funds, employees and partners, external Directors and controlled portfolio companies of the investment funds.

All related party transactions have been executed at arm's length conditions. Related party transactions included in the financial statements consist of:

- Participating interests in investment entities by Group companies (notes 4.2 and 5.6);
- Revenue in the form of management fee and carried interest income received from investment entities and related receivables (notes 4.3, 4.4 and 5.1);
- Certain cost/revenue paid respectively invoiced by the Company or any of its Group companies on behalf of the investment entities (note 4.7);
- Other shareholder interests in Group companies of which (former) employees, among which Directors of the Company, are the ultimate beneficial owners (notes 4.10 and 5.9);
- Management fees paid to an affiliated entity owned by The Carlyle Group (note 5.5).

The relevant amounts are disclosed in the indicated notes to the financial statements.

Notes to the cash flow statement

The cash flow statement is prepared based on the indirect method. Cash recognized in the cash flow statement consists of cash and cash equivalents. Cash flows from Group companies with a different functional currency than the euro are included at the rate that is used for translation in the consolidated profit and loss account and balance sheet respectively. Exchange differences due to exchange rate fluctuations between December 31 of the previous financial year and December 31 of the reporting year are included on the respective line in the cash flow statement.

Interest paid and received, dividend received and cash flows related to corporate income tax are included in cash flow from operating activities.

Estimates

In applying the accounting policies and guidelines for preparing the financial statements, management applies several estimates and judgments that might be essential for the amounts disclosed in the financial statements. This relates mainly to the fair value of financial fixed assets and the estimated useful life of tangible fixed assets. The estimates also include the provision for leasehold improvement in AlpInvest Partners Ltd and fundraising expenses. If necessary, for the purposes of providing appropriate insight, the nature of estimates and judgments, including the related assumptions, is disclosed in the notes to the financial statement items in question.

1. ACCOUNTING POLICIES FOR THE CONSOLIDATED BALANCE SHEET

1.1 General

The financial statements have been prepared in accordance with the statutory provisions of Part 9, Book 2, of the Netherlands Civil Code, the firm pronouncements in the Guidelines for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standards Board and the Dutch Financial Market Supervisors (Wet op het Financieel toezicht).

The accounting policies for the company financial statements and the consolidated financial statements are the same.

Assets and liabilities are stated at the amounts at which they were acquired or incurred unless stated otherwise. The balance sheet and income statement include references to the notes.

The financial statements are denominated in euro.

1.2 Comparison with the previous year

The accounting policies used are consistent with the previous year and prepared on a going concern basis.

1.3 Tangible fixed assets

Tangible fixed assets are stated at historical cost plus additional direct expense or manufacturing price less straight-line depreciation based on estimated useful life. Any impairment at the balance sheet date is taken into account. For details on how to determine whether tangible fixed assets are impaired, please refer to note 1.5.

1.4 Financial fixed assets

Participating interests that enable the Company to exert significant influence are valued using the net asset value method. Changes in the net asset value of the participating interests are recognized in other financial income.

Net asset value is calculated using the policies applied in these financial statements. If the net asset value of a participating interest is negative, the participating interest is carried at nil. However, if the Company can be held accountable for the debts of the participating interest, a provision is formed.

Investments in equity instruments of companies through which the Company does not exert significant influence are measured at fair market value with changes in fair value recognized in other financial income. The fair market value of the investments in private equity funds is determined quarterly.

For fund investments the fair value of the underlying investments is based on the most recent information available (typically previous quarter) from the general partners of the underlying partnerships adjusted for the actual cash flows that occurred from the date of the reported net asset value to the date of the financial statements and the working capital of the underlying investment vehicles. The fair value for underlying direct and co-investments are based on the general partners' determination of the fair value based on the International Private Equity and Venture Capital Valuation Guidelines. This determination involves a significant degree of management judgment such as (but not limited to) current and projected operating performance, trading values on public exchanges for comparable securities and the financing terms currently available.

The fair market value of other investments in equity instruments is determined as the price that would be received in an orderly transaction between market participants at the measurement date.

Any increase or decrease in the carrying value of such an investment is charged to the income statement in the year to which it relates. The results for exits are determined by the difference between sales proceeds and the carrying value of the investments prior to the sale.

Loans are initially valued at fair value and subsequently carried at amortised cost based on the effective interest method.

1.5 Impairment of fixed assets

At each balance sheet date, the Company assesses and tests (if applicable) whether there are any indications of intangible and tangible fixed assets being subject to impairment. An asset is subject to impairment if its carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the net realizable value and the value in use.

For financial assets the Company assesses at each balance sheet date whether a financial asset is impaired. If there is objective evidence of impairment, the amount of the impairment loss is determined and recognized in the profit and loss account for financial assets carried at amortized cost.

1.6 Receivables

Short-term receivables are recognized initially at fair value and subsequently measured at amortised cost. When a receivable is deemed uncollectible, a provision is made and subsequently it is written off against this provision.

1.7 FX forward-contracts

FX forward-contracts are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative. The (un)realized movement is recognized through the income statement. Hedge accounting is not applied to these contracts.

1.8 Cash

Cash represents cash in hand, bank balances and call and short-term deposits. Negative balances at a bank in one currency are netted with positive balances in other currencies when it is legally enforceable, contractually agreed and settled on a net basis. Cash is stated at face value.

1.9 Group equity

Group equity is made up of share capital, reserve for currency exchange differences, legal reserve, other reserves and result for the year. The share capital recognized in the balance sheet has been issued and fully paid up. The legal reserve relates to the positive difference of fair value less cost price of participating interests in private equity funds which are accounted for at fair market value. The other reserves consist of the accumulated results realized in previous years.

1.10 Equity attributable to other shareholders

The equity attributable to other shareholders is stated at the amount of the net third party interest in the Group companies concerned.

1.11 Provisions

A provision is recognized when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

1. ACCOUNTING POLICIES FOR THE CONSOLIDATED BALANCE SHEET (CONT'D)

1.12 Pension obligations

Dutch pension plan

The characteristics of the pension plan operated by AlpInvest Partners B.V. are:

- The basis for the defined benefit scheme is average pay;
- The salary in the defined benefit scheme is capped;
- Pensions and deferred pension rights of former employees and built up pension rights of current employees can be increased yearly with a percentage to be determined by the employer;
- The pensions have been insured with an outside insurance company.

The Company has a guaranteed insurance contract. The assets of the scheme have been allocated 70% to bonds and 30% to equities and are managed by the applicable insurance company. On January 1, 2019, the Company renewed the guaranteed insurance contract with the same pension conditions with the same insurance company. Under the new contract terms, the amounts paid will no longer be invested in a separate investment account.

The conditions of the Dutch Pension Act are applicable to all pensions of AlpInvest Partners B.V. AlpInvest Partners B.V. pays premiums based on contractual requirements to the insurance company. Premiums are recognized as personnel costs when they are due. Prepaid contributions are recognized as deferred assets if these lead to a refund or reduction of future payments. Contributions that are due but have not yet been paid are represented as liabilities.

There are no other existing obligations (other than premiums to be paid) to the insurance company or employees that need to be recognized. No other assets need to be recognized.

As all obligations fall due within one year the obligation is stated at nominal value.

Foreign pension plan

The pension plan operated outside the Netherlands is a defined contribution plan. Accounting policies applied are identical to the ones applied to the Dutch pension plan.

1.13 Foreign currencies

Functional currency

Items included in the financial statements of Group companies are measured using the currency of the primary economic environment in which the respective Group company operates (the functional currency). The consolidated financial statements are presented in euros, which is the functional and presentation currency of AlpInvest Partners B.V.

Transactions, receivables and liabilities

Foreign currency transactions in the reporting period are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rate of exchange prevailing at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates are recognized in the income statement.

Non-monetary assets and liabilities are recognized using the exchange rates prevailing at the dates of the transactions (or the approximated rates).

Group companies

Assets and liabilities of consolidated subsidiaries with a functional currency different from the presentation currency are translated at the rate of exchange prevailing at the balance sheet date; income and expense are translated at average exchange rates during the financial year. Any resulting exchange differences are taken directly to the reserve for currency exchange differences within equity.

2. ACCOUNTING POLICIES FOR THE CONSOLIDATED INCOME STATEMENT

2.1 General

Net result after tax represents the difference between income from investment management services and operating expenses and other charges for the year.

2.2 Net revenue

Net revenue comprises management fee and carried interest income. Most of the management fees are based on the lower of cost or fair market value of investments under management, except for more recent mandates where management fees are based on investor commitments. Carried interest is recognized as income if and when it is certain that the conditions applicable for earning such fees have been fully met, and the investors have received back their full investment, all expenses and a minimum contractual return.

Income is allocated to the period to which it relates.

2.3 Operating expenses

Expenses are allocated to the period to which they relate.

2.4 Personnel expenses

Short-term employee benefits

Salaries, wages and social security contributions are taken to the income statement based on the terms of employment, where they are due to employees.

Pensions

The premiums payable for the financial year are charged to the result.

2.5 Depreciation charges

Fixed assets are depreciated based on cost plus additional direct expense or manufacturing price. Assets are depreciated according to the straight-line method based on the estimated useful life.

2.6 Taxes

Dutch fiscal practice rules determine domestic corporation tax, taking into account allowable deductions, charges and exemptions. Taxes are calculated on the result disclosed in the profit and loss account, taking account of tax-exempt items and partly or completely non-deductible expenses.

AlpInvest Partners B.V. and some of its wholly owned subsidiaries form a fiscal unity for corporate income tax with AP B.V. and Alp Holdings Coöperatief U.A. since January 1, 2012.

2.7 Foreign currencies

Income and expenditure denominated in foreign currencies are translated at the rates of exchange prevailing on the transaction date. Exchange differences due to exchange rate fluctuations between the transaction date and the settlement date or balance sheet date are taken to the income statement.

2.8 Financial income and expense

Interest paid and received

Interest paid and received is recognized on a time-weighted basis, taking account of the effective interest rate of the assets and liabilities concerned. Financial income includes income from investments in private equity funds.

3. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The financial instruments the Company uses are foreign exchange forward contracts to hedge foreign currency exposure and short-term deposits to improve the return on excess liquidity. All financial instruments are held to maturity.

3.1 Currency risk

AlpInvest Partners B.V. mainly operates in the European Union, the United States and Asia. The currency risk for AlpInvest Partners B.V. largely concerns future expenses in Hong Kong dollars as its revenues are mainly denominated in euros and US dollars.

AlpInvest Partners B.V. also incurs currency risk on the net investment in its foreign subsidiaries.

3.2 Interest rate risk

AlpInvest Partners B.V. incurs market risk in respect of interest on cash at banks and deposits. No financial derivatives for interest rate risk are contracted with regards to these funds.

3.3 Credit risk

Credit risk is considered to be limited as creditworthiness of investors is considered high and many of our investors, especially pension funds, are monitored by the regulators.

The cash of AlpInvest Partners B.V. as at December 31, 2018 was held with one credit institution with a rating of A-1 for short-term credits and A for long-term credits (S&P rating). Given the on-demand nature of the liquidity held, this is considered acceptable. The cash of AlpInvest Partners Ltd as at December 31, 2018 was held with one credit institution with a rating of A-1+ for short-term credits and AA- for long-term credits (S&P rating). All Group companies use reputable banks for their cash activities.

3.4 Liquidity risk

The Company has sufficient funds at its disposal in the form of cash for its current operations.

The investments in private equity funds represent illiquid investments.

3.5 Fair value risk

Investments in private equity funds (note 4.2) are subject to changes in fair value. Because most of the Investments in private equity funds are held by entities of which the economic ownership is held by third parties (note 4.10) the actual exposure of the Company is very limited.

4. NOTES TO THE CONSOLIDATED BALANCE SHEET

4.1 Tangible fixed assets

(€ thousands)	Computers and software	Furniture and other office equipment	Leasehold improvements	Total 2018	Total 2017
Balance on January 1					
Costs	7,599	1,346	1,983	10,928	10,324
Accumulated impairment and depreciation	(7,054)	(1,260)	(1,667)	(9,981)	(9,796)
Book value	545	86	315	947	528
Movements in the year					
Additions	231	(23)	2	210	750
Disposals	(644)	-	-	(644)	-
FX differences on cost and additions	7	8	48	63	(146)
Depreciation	(356)	25	(145)	(476)	(329)
Accumulated depreciation on disposals	644	-	-	644	-
FX on depreciation	(7)	(6)	(38)	(51)	144
	(125)	4	(133)	(254)	419
Balance on December 31					
Costs	7,193	1,331	2,033	10,556	10,928
Accumulated impairment and depreciation	(6,773)	(1,241)	(1,850)	(9,864)	(9,981)
Book value	420	90	183	693	947

Computers and software are depreciated over a period of 3 years, Furniture and other office equipment are depreciated over a period of 5 years and Leasehold improvements are depreciated over 6 years. These terms are determined based on an estimate of the useful life of the assets.

4.2 Financial fixed assets

Investments in private equity funds	2018	2017
Balance on January 1	31,733	17,451
Movements in the year		
Investments	17,591	13,878
Distributions	(279)	(3,065)
Exchange differences	1,215	(1,385)
Changes in fair value	4,113	4,854
	22,640	14,282
Balance on December 31	54,373	31,733

The investments in private equity funds represent interests in various funds, which are valued at fair market value. The investments in private equity funds held by the Company do not contain significant influence in any position held as per year end. Changes (realized and unrealized) in the fair market value of the investments in private equity funds are recognized through the income statement in other financial income.

4. NOTES TO THE CONSOLIDATED BALANCE SHEET

(CONT'D)

4.3 Receivables

	December 31, 2018	December 31, 2017
Carried interest receivables	14,214	9,669
Accounts receivable	537	18
Total	14,571	9,687

All receivables fall due in less than one year.

The fair value of the receivables approximates the book value.

4.4 Receivables from related parties

	December 31, 2018	December 31, 2017
Group companies		
Group companies	3,624	107
Total group companies	3,624	107
Related parties		
Carried interest due from investment entities	18,558	5,933
Other amounts recoverable from investment entities	5,930	2,877
Total related parties	24,489	8,810

All receivables fall due in less than one year.

The fair value of the receivables approximates the book value.

4.5 Corporate income tax receivables

	December 31, 2018	December 31, 2017
Current income tax receivables	1,850	1,309
Deferred income tax receivables	78	330
Total	1,928	1,639

Deferred income tax receivables relate to temporary differences in depreciation of assets and expenses related to awards of Units in The Carlyle Group in AlInvest Partners Ltd.

4.6 Liabilities for pensions and provisions for other long-term employee benefits

AlpInvest Partners B.V. has a defined benefit pension plan in effect. The following conditions were applicable as of December 31, 2018:

- The pension is calculated according to a defined benefit formula based on 1.875% x salary less an offset (average pay scheme);
- The scheme applies to all salaries up to €107;
- The standard retirement age is 68.

Premiums are recognized as personnel costs when they are due. Prepaid contributions are recognized as deferred assets if these lead to a refund or reduction of future payments. Contributions that are due but have not yet been paid are represented as liabilities.

	2018	2017
Balance on January 1	(1,048)	(734)
Cost in income statement (incl. administration cost)	1,426	1,296
Amounts paid to the insurance company in respect of the defined benefit scheme	(1,910)	(1,610)
Balance on December 31	(1,532)	(1,048)

The Company has a guaranteed insurance contract. The assets of the scheme have been allocated 70% to bonds and 30% to equities and are managed by the applicable insurance company. Pensions and deferred pension rights of former employees and built up pension rights of current employees can be increased yearly with a percentage to be determined by the employer. As at December 31, 2018, there were no outstanding obligations to finance any increases. The liability and provision relate only to AlpInvest Partners B.V. The pension plan operated outside the Netherlands is a defined contribution plan and does not have any liabilities outstanding as at December 31 of the year under review.

4.7 Prepayments and accrued income

	December 31, 2018	December 31, 2017
Prepaid insurance fees	529	420
Deposits	384	354
Amounts prepaid on behalf of related parties	2,015	2,746
Other prepaid items	1,264	1,272
Total	4,192	4,792

The fair value approximates the book value.

4.8 Cash

Cash is at the Company's free disposal. There are no deposits outstanding as per December 31, 2018.

4.9 Equity attributable to shareholders of the parent company

See notes to the company balance sheet.

4. NOTES TO THE CONSOLIDATED BALANCE SHEET

(CONT'D)

4.10 Equity attributable to other shareholders

	2018	2017
Balance on January 1	42,974	26,141
Movements in the year		
Share in net profit	60,767	43,560
Exchange differences	946	(1,630)
Contributions by other shareholders	20,023	12,971
Dividend paid to other shareholders	(46,183)	(38,068)
Balance on December 31	78,526	42,974

Other shareholders are entities whose ultimate beneficial owners are Directors and (former) employees of the Company.

4.11 Provisions

Provision leasehold improvements

	2018	2017
Balance on January 1	273	133
Exchange differences	13	(17)
Movement for the year	-	157
Balance on December 31	286	273

The provision relates to the estimated cost to reinstate a leased office premise back to its original condition at the end of the lease period (October 31, 2019). The provision is an estimate and based on a quote (HK\$2,560) from a construction company.

Provision fundraising expenses

	2018	2017
Balance on January 1	838	-
Movement for the year	(166)	838
Balance on December 31	672	838

The provision relates to fees payable to third parties in relation to mandates received from investors. The amount is based on the estimated management fees over a 10-year period times the contractually agreed fee over these management fees.

4.12 Corporate income tax liabilities

	December 31, 2018	December 31, 2017
Current income tax payables	5,368	10,347
Total	5,368	10,347

4.13 Other short-term liabilities

	December 31, 2018	December 31, 2017
Personnel related items	12,039	10,554
Holiday leave provision	441	426
Accrued expenses	1,666	1,089
Rent	169	365
Finders fees payable	188	294
Total	14,503	12,728

Personnel related items consist of a provision for bonus payments. All current liabilities fall due in less than one year.

4.14 Off-balance sheet commitments and contingencies

Multi-year financial obligations

Rental obligations amount to €1,847 (2017: €1,803) per annum. The leases expire on different dates between November 31, 2019 and October 31, 2024.

The monthly obligations for car leases amount to €22 (2017: €19). These contracts have an average remaining life of 28 months (2017: 24 months). The aggregate liability resulting from these contracts amounts to €641 (2017: €438).

The monthly obligations for copiers amount to €3 (2017: €3). The contracts have an average remaining life of 55 months (2017: 73 months).

The monthly obligation for an ICT service contract amounts to €63 (2017: € 0). The contracts have an average remaining life of 29 months.

AlpInvest Partner B.V. entered into a contract for a video conferencing system. The contract started on February 1, 2018 and expires on January 31, 2023. The monthly obligation for this contract amounts to €5.

Guarantees

Certain consolidated subsidiaries of AlpInvest Partners B.V. are the guarantor of revolving credit facilities for certain funds managed by AlpInvest Partners B.V. The exposure for the Company in relation to these guarantees is limited to the lesser of the total amount drawn under the credit facilities or the net asset value of the guarantor subsidiaries, which was approximately €22 as of December 31, 2018. The outstanding balances are secured by uncalled capital commitments from the underlying funds, and the Partnership believes the likelihood of any material funding under these guarantees to be remote.

Liability as general partner

Reference is made to note 7.3.

Tax group liability

The Company forms a fiscal unity with a number of Group companies. Under the standard conditions, the members of the tax group are jointly and severally liable for any taxes payable by the group.

Carried interest arrangements

Under various Mandates, the Company and some of its Group companies are entitled to receive carried interest if and when the investors have received proceeds equal to the aggregate amount of such investors' capital contributions in respect of investments made, plus an allocable share of fund expenses (including management fees) in relation to investments made on their behalf, plus a certain preferred return on the aggregate amount of capital invested. The Company has an obligation to pay out virtually all carried interest received in the form of bonuses to (former) employees. Also, all carried interest received by Group companies forms part of the share in the profit of holders of equity instruments other than the shareholders' of the Company. Hence, unrealized carried interest revenues for the Company are virtually equal to the amount to be paid in the future to the holders of the equity instruments. Also, timing of carried interest revenues and related expenses is uncertain and depends on actual future cash flows and developments of the investments made by the Company. Therefore, the Company is of the opinion that the hypothetical unrealized carried interest calculated as if all investments would be liquidated effective December 31, 2018, does not properly reflect the amounts that will be received by the Company.

5. NOTES TO THE CONSOLIDATED INCOME STATEMENT

5.1 Net revenue

Net revenue mainly consists of management fees and carried interest income derived from investors in Europe.

	2018	2017
Revenue from management fees		
Management fees from related parties	64,182	65,996
Management fees from other parties	16,623	21,705
Total management fees	80,805	87,701
Revenue from carried interest		
Carried interest from related parties	36,488	57,014
Carried interest from other parties	48,404	17,178
Total carried interest	84,892	74,192
Total revenue	165,697	161,893

Carried interest received from registered Alternative Investment Funds ("AIFs") included in the above amounts to 24,054.

5.2 Personnel expenses and social security expenses

	2018	2017
Salaries and wages (including bonuses)	44,860	47,166
Pension charges	1,426	1,264
Other personnel expenses	1,110	1,002
Social security expenses	960	776
Total personnel expenses and social security expenses	48,355	50,208

In 2013, 2015, 2016, 2017 and 2018 a number of employees were awarded Units in The Carlyle Group to which vesting conditions apply (note 8). The expenses recognized (2018: €2,310, 2017: €1,565) reflect the degree to which the vesting period has expired, as well as the best estimate of the number of equity instruments that will ultimately vest. For the units that vested in 2017 and 2018 the actual cumulative expense has been taken into account. The vesting period expires on different dates up to August 1, 2021.

5.3 Depreciation and amortization

	2018	2017
Tangible fixed assets	476	329
Result on disposal of assets	(6)	-
Total	470	329

5.4 Administrative expenses

	2018	2017
Rent and office related expenses	2,466	2,701
ICT and communication expenses	1,682	2,101
Travel and related expenses	1,464	1,299
Audit of the financial statements*	157	193
Other audit procedures*	195	197
Tax services from audit firms*	4	4
Other advisory services	2,165	1,389
General administrative expenses	2,055	1,546
Other expenses	666	1,022
Total	10,854	10,452

* These fees relate to work performed on behalf of the Company and its consolidated group entities by accounting firms and external auditors as referred to in Section 1(1) of the Dutch Accounting Firms Oversight Act (Dutch Acronym: Wta), including their tax services and advisory groups. The applicable services were rendered by Ernst & Young Accountants LLP and other Ernst & Young network firms.

5.5 Management fee expenses

	2018	2017
Management fees paid to related parties	1,942	8,233
Total	1,942	8,233

The management fees paid to related parties consist of the management fee paid to Alpinvest US Holdings LLC. The management fee calculation is based on a Transfer Pricing Model and also takes into account the management fees that Alpinvest US Holdings LLC receives directly from investors. The decrease compared to 2017 is a result of Alpinvest US Holdings LLC receiving a larger amount of management fee directly.

5.6 Interest and other financial income

	2018	2017
Interest income	192	175
Income from investments in private equity funds	4,113	4,854
Currency results	(131)	642
Total	4,174	5,671

Income from investments in private equity funds comprises both realized and unrealized gains.

5.7 Interest and other financial expense

	2018	2017
Interest expense	(146)	(192)
Total	(146)	(192)

5. NOTES TO THE CONSOLIDATED INCOME STATEMENT

(CONT'D)

5.8 Corporate income tax

The total tax charge for the year amounts to €18,651 (2017: €21,613), which to a large extent is related to Dutch fiscal entities. The overall effective tax rate in 2018 amounts to 17.7% (2017: 22.0%). The statutory tax rate in The Netherlands is 25% (2017: 25%). The difference between the effective tax rate and the statutory tax rate in 2018 is mainly due to the different applicable statutory rate for Alpinvest Partners Ltd (16.5%) and non-deductible expenses which consist mostly of grants of DRUs in The Carlyle Group (note 5.2 and note 8).

5.9 Share third parties

	2018	2017
Share third parties	(60,767)	(43,560)

This amount represents the share in the profit of holders of Certificates of Shares or other equity instruments other than the Company in some of the entities that form part of the consolidation (see note 7.3). These other shareholders are entities whose ultimate beneficial owners are Directors and (former) employees of the Company and its subsidiaries.

6. SUPPLEMENTARY INFORMATION CONSOLIDATED FINANCIAL STATEMENTS

6.1 Employees

	2018	2017
Average number of FTE - total	98	90
Average number of FTE - located outside The Netherlands	14	13

COMPANY FINANCIAL STATEMENTS

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COMPANY BALANCE SHEET

(before proposed profit appropriation)

(€ thousands)	December 31, 2018	December 31, 2017
ASSETS		
Fixed assets		
Tangible fixed assets ^{7.2}		
Other fixed assets	420	590
Financial fixed assets ^{7.3}		
Participation in Group companies	1,793	2,136
	2,213	2,726
Current assets		
Accounts receivable		
Receivables	10,550	2,220
Receivables from group companies	11,448	2,085
Receivables from other related parties	1,144	6,621
Corporate income tax receivables	359	1,566
Pensions	1,532	1,048
Prepayments and accrued income ^{7.5}	1,225	1,560
	26,258	15,100
Cash and cash equivalents^{7.6}		
Cash	37,297	19,986
	37,297	19,986
Total assets	65,768	37,812
LIABILITIES AND EQUITY		
Shareholder's equity^{7.7}		
Share capital	4,000	4,000
Reserve for currency exchange differences	626	320
Other reserves	5,286	(19,197)
Legal reserve	95	13
Profit for the year	28,686	32,977
Total shareholders' equity	38,693	18,113
Current liabilities		
Creditors	80	466
Payable to group companies	13,224	6,624
Other tax and social security payables	2,597	1,982
Other short-term liabilities ^{7.8}	11,174	10,627
	27,075	19,699
Total liabilities and equity	65,768	37,812

The reference numbers relate to the notes which form an integral part of the financial statements.

COMPANY INCOME STATEMENT

(€ thousands)	2018	2017
Income from participating interests after tax ^{7,3}	1,608	2,009
Other results after tax	27,078	30,968
Net profit	28,686	32,977

The reference numbers relate to the notes which form an integral part of the financial statements.

7. NOTES TO THE COMPANY BALANCE SHEET

7.1 General

The company financial statements have been prepared in accordance with the statutory provisions of Part 9, Book 2, of the Netherlands Civil Code, the firm pronouncements in the Guidelines for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standards Board and the Dutch Financial Market supervisions (Wet op het Financieel toezicht).

The accounting policies for the company financial statements and the consolidated financial statements are the same. For the accounting policies for the company balance sheet and income statement, reference is made to the notes to the consolidated balance sheet and income statement in chapters 1 and 2.

Group companies are stated at net asset value in accordance with note 1.4 to the consolidated financial statements.

7.2 Tangible fixed assets

	Computers and software	Furniture and other office equipment	Leasehold improvements	Total 2018	Total 2017
Balance on January 1					
Costs	7,446	1,159	963	9,568	9,200
Accumulated impairment and depreciation	(6,958)	(1,087)	(933)	(8,978)	(8,739)
Book value	488	72	30	590	461
Movements in the year					
Additions	92	34	2	128	368
Disposals	(644)	-	-	(644)	-
Depreciation	(235)	(42)	(21)	(298)	(239)
Accumulated depreciation on disposals	644	-	-	644	-
	(143)	(8)	(19)	(170)	129
Balance on December 31					
Costs	6,894	1,193	965	9,052	9,568
Accumulated impairment and depreciation	(6,549)	(1,129)	(954)	(8,632)	(8,978)
Book value	345	64	11	420	590

Computers and software are depreciated over a period of 3 years, Furniture and other office equipment are depreciated over a period of 5 years and Leasehold improvements are depreciated over 6 years. These terms are determined based on an estimate of the useful life of the assets.

7.3 Financial fixed assets

	2018	2017
Group companies		
Balance on January 1	2,136	2,312
Movements in the year		
Equity movements	(85)	(128)
Investments	-	36
Divestments	(41)	-
Exchange differences	306	(399)
Income from participating interests after tax	1,608	2,009
Dividend paid	(2,246)	(1,715)
Other movement	115	21
	(343)	(176)
Balance on December 31	1,793	2,136

All Group companies are considered to be going-concern.

7. NOTES TO THE COMPANY BALANCE SHEET

(CONT'D)

The information for the Company is as follows:

Name of company	Registered office	% ownership	Core activities
AlpInvest Partners B.V.	Amsterdam	NA	Advisory and management services

As at December 31, 2018, AlpInvest Partners B.V. had the following Group companies:

Name of company	Registered office	% ownership	Core activities
AlpInvest Partners Ltd	Hong Kong	100	Advisory and management services
AlpInvest Partners Later Stage Co-Investments Custodian II B.V.	Amsterdam	100	Acts as custodian of AlpInvest Partners Later Stage Co-Investments II C.V.
AlpInvest Partners Later Stage Co-Investments Custodian IIA B.V.	Amsterdam	100	Acts as custodian of AlpInvest Partners Later Stage Co-Investments IIA C.V.
AlpInvest Partners Fund of Funds Custodian IIA B.V.	Amsterdam	100	Acts as custodian of AlpInvest Partners Fund of Funds IIA C.V.
Betacom XLII B.V.	Amsterdam	100	Acts as limited partner of AlpInvest Partners Later Stage Co-Investments II C.V.
Betacom XLV B.V. **	Amsterdam	100	Enters into and acts as general partner of limited partnerships which aim at making investments and acting as limited partner in limited partnerships
Betacom Beheer 2004 B.V. **	Amsterdam	100	Manages limited partnerships
AlpInvest Partners Direct Investments B.V. **	Amsterdam	40.90 *	Holding company
AlpInvest Partners Co-Investments B.V. **	Amsterdam	0 *	Holding company
AlpInvest Partners Direct Secondary Investments B.V.	Amsterdam	0 *	Acts as advisor and intermediary of investors in relation to the investment in funds in general, and in particular in relation to making investments and divestments in private equity funds
AlpInvest Partners Fund Investments B.V. **	Amsterdam	0 *	Acts as advisor and intermediary of investors in relation to the investment in funds in general, and in particular in relation to the making of investments and divestments in private equity funds
AlpInvest Partners Later Stage Co-Investments Management II B.V. **	Amsterdam	0 *	Acts as general partner of AlpInvest Partners Later Stage Co-Investments II C.V.
AlpInvest Partners Later Stage Co-Investments Management IIA B.V. **	Amsterdam	0 *	Acts as general partner of AlpInvest Partners Later Stage Co-Investments IIA C.V. and holding and financing company
AlpInvest Partners Fund of Funds Management IIA B.V. **	Amsterdam	0 *	Acts as general partner of AlpInvest Partners Fund of Funds IIA C.V., holding and financing company
AlpInvest Partners European Mezzanine Investments B.V.	Amsterdam	100 *	Makes mezzanine investments and performs all direct and indirect activities in connection therewith
AlpInvest Partners US Mezzanine Investments B.V. **	Amsterdam	0 *	Makes investments in general and in particular investments and divestments in mezzanine funds, and everything ancillary thereto
AlpInvest Partners Direct Investments 2003 B.V. **	Amsterdam	0 *	Holding and financing company
AlpInvest Partners Fund Investments 2003 B.V. **	Amsterdam	0 *	Acts as advisor and intermediary of investors and in relation to the investment in funds in general and especially in relation to making investments in private equity funds
AlpInvest Partners 2003 B.V. **	Amsterdam	0 *	Holding and financing company
AlpInvest Partners Mezzanine Investments 2005/2006 B.V.	Amsterdam	100 *	Invests funds, including making investments and divestments in mezzanine funds and everything directly or indirectly related, as well as provides financial (advisory) services
AlpInvest Partners Fund Investments 2006 B.V. **	Amsterdam	100 *	Acts as general partner of one or more limited partnership(s)

Name of company	Registered office	% ownership	Core activities
AlpInvest Partners 2006 B.V. **	Amsterdam	100 *	Holding and financing company
AlpInvest Partners Beheer 2006 B.V. **	Amsterdam	100	Incorporates, participates in (in any form), manages, supervises and/or finances enterprises, companies and partnerships
AlpInvest Beheer 2006 Ltd **	Grand Cayman, Cayman Islands	100 through AlpInvest Partners Beheer 2006 B.V.	Acts as general partner of AlpInvest Partners Beheer 2006 LP
AlpInvest Partners Mezzanine Investments 2007/2009 B.V.**	Amsterdam	0 *	Holding and financing company
AlpInvest Partners Clean Technology Investments 2007-2009 B.V.**	Amsterdam	0 *	Acts as general partner of one or more limited partnerships and holding companies
AlpInvest Partners 2008 B.V.**	Amsterdam	0 *	Holding and participation company
AlpInvest Partners 2009 B.V. **	Amsterdam	0 *	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners Fund Investments 2009 B.V. **	Amsterdam	0 *	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners Clean Technology Investments 2010-2011 B.V. **	Amsterdam	100	Acts as general partner of one or more limited partnerships and holding companies
AlpInvest Partners 2011 B.V. **	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners Fund Investments 2011 B.V. **	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners 2012 I B.V. **	Amsterdam	100	Acts as general partner for one or more limited partnership(s)
AlpInvest Partners 2012 II B.V. **	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners Fund Investments 2012 I B.V. **	Amsterdam	100	Acts as general partner for one or more limited partnership(s)
AlpInvest Partners Fund Investments 2012 II B.V. **	Amsterdam	100	Acts as general partner for one or more limited partnership(s)
AlpInvest Partners Mezzanine 2012-2014 B.V. **	Amsterdam	100	Acts as general partner for one or more limited partnership(s)
AlpInvest Mich B.V. **	Amsterdam	100	Acts as general partner for one or more limited partnership(s)
AlpInvest United B.V. **	Amsterdam	100	Acts as general partner for one or more limited partnership(s)
Oeral Investments B.V.	Zeist	100	Holding company
AP Private Equity Investments I B.V.	Amsterdam	100 through Oeral Investments B.V.	Management and financing services
AP Private Equity Investments III B.V.	Amsterdam	100 through Oeral Investments B.V.	Management and financing services
AMC 2012 Ltd	Grand Cayman, Cayman Islands	100 of management shares	Provides risk bearing capital in any form to existing and new enterprises
AMC 2012 Holdings Ltd	Grand Cayman, Cayman Islands	100 of management shares	Provides risk bearing capital in any form to existing and new enterprises
AlpInvest SF V BV **	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
ASF V Co-Invest Ltd	Grand Cayman, Cayman Islands	100 of management shares	Provides risk bearing capital in any form to existing and new enterprises
ASF V Co-Invest Holdings Ltd	Grand Cayman, Cayman Islands	100 of management shares	Provides risk bearing capital in any form to existing and new enterprises
AP H Secondaries BV **	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AP Account Management BV **	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners Fund Investments 2013 I BV **	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners Fund Investments 2013 II BV **	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AMC 2013 Ltd	Grand Cayman, Cayman Islands	100 of management shares	Provides risk bearing capital in any form to existing and new enterprises

7. NOTES TO THE COMPANY BALANCE SHEET

(CONT'D)

Name of company	Registered office	% ownership	Core activities
AMC 2013 Holdings Ltd	Grand Cayman, Cayman Islands	100 of management shares	Provides risk bearing capital in any form to existing and new enterprises
AMC 2014 Ltd	Grand Cayman, Cayman Islands	100 of management shares	Provides risk bearing capital in any form to existing and new enterprises
AMC 2014 Holdings Ltd	Grand Cayman, Cayman Islands	100 of management shares	Provides risk bearing capital in any form to existing and new enterprises
AlpInvest Partners 2014 I BV**	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners 2014 II BV**	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners Fund Investments 2014 I BV**	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners Fund Investments 2014 II BV**	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Fondo BV**	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest GGG BV**	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AP 2011-2014 SLP Ltd	Grand Cayman, Cayman Islands	100 of management shares	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners 2011 LLC	Delaware	60 through AP 2011-2014 SLT Ltd	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners 2012 LLC	Delaware	60 through AP 2011-2014 SLT Ltd	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners Sec V GP LLC	Delaware	60 through AP 2011-2014 SLT Ltd	Acts as general partner of one or more limited partnership(s)
AP 2014-2016 SLP Ltd	Grand Cayman, Cayman Islands	100 of management shares	Acts as general partner of one or more limited partnership(s)
AlpInvest North Rush GP LLC	Delaware	60 through AP 2014-2016 SLT Ltd	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners 2014 LLC	Delaware	60 through AP 2014-2016 SLT Ltd	Acts as general partner of one or more limited partnership(s)
Direct Portfolio Management BV**	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest SF VI BV (Formerly known as AlpInvest EU FoF BV)**	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest FCR Secondaries GP LLC	Delaware	60 through AP 2014-2016 SLT Ltd	Acts as general partner of one or more limited partnership(s)
AlpInvest Secondaries VI Lux GP S.à r.l. **	Luxembourg	100	The acquisition of participations, in Luxembourg or abroad, in any companies or enterprises in any form whatsoever, and the management of those participations
AlpInvest Partners Co-Investments 2015 I BV **	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners Co-Investments 2015 II BV **	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners Fund Investments 2015 I BV **	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners Fund Investments 2015 II BV **	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners Secondaries Investments 2015 I BV **	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners Secondaries Investments 2015 II BV **	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AMC 2015 Holding Ltd	Grand Cayman, Cayman Islands	100 of management shares	Provides risk bearing capital in any form to existing and new enterprises
AMC 2015 Ltd	Grand Cayman, Cayman Islands	100 of management shares	Provides risk bearing capital in any form to existing and new enterprises

Name of company	Registered office	% ownership	Core activities
AlpInvest Secondaries VI GP LLC	Delaware	60 through ASP VI 2016-2020 SLP Ltd	Acts as general partner of one or more limited partnership(s)
AlpInvest GA BV **	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Global Advantage GP, LLC	Delaware	60 through AP 2014-2016 SLT Ltd	Acts as general partner of one or more limited partnership(s)
ALPINVEST ACCESS GP, LLC	Delaware	60 through AP 2014-2016 SLT Ltd	Acts as general partner of one or more limited partnership(s)
AlpInvest CI VII BV**	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Co-Investment VII Lux GP S.à r.l.	Luxembourg	100	The acquisition of participations, in Luxembourg or abroad, in any companies or enterprises in any form whatsoever, and the management of those participations
AlpInvest LIVE GP BV**	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners 2016 II BV**	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners Co-Investments 2016 I B.V. **	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners Secondary Investments 2016 I B.V. **	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Private Equity Program GP, LLC	Delaware	60 through AP 2014-2016 SLT Ltd	Acts as general partner of one or more limited partnership(s)
AlpInvest U.S. Co-Investment Access GP, LLC	Delaware	60 through AP Co-Invest 2016-2020 SLP Ltd	Acts as general partner of one or more limited partnership(s)
AP Co-Invest 2016-2020 SLP Ltd	Grand Cayman, Cayman Islands	100 of management shares	Acts as general partner of one or more limited partnership(s)
ASF VI Co-Investment (Non-U.S.), L.P.	Grand Cayman, Cayman Islands	100 through AlpInvest Secondaries VI GP LLC	Provides risk bearing capital in any form to existing and new enterprises
ASF VI Co-Investment, L.P.	Grand Cayman, Cayman Islands	100 through AlpInvest Secondaries VI GP LLC	Provides risk bearing capital in any form to existing and new enterprises
ASP VI 2016-2020 SLP Ltd	Grand Cayman, Cayman Islands	100 of management shares	Acts as general partner of one or more limited partnership(s)
AlpInvest PEP GP BV**	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners 2017 II BV**	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners Co-Investments 2015 I SPV BV**	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners Co-Investments 2015 II SPV BV**	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Mich SPV BV**	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest LIVE GP LLC	Delaware	60 through AP Co-Invest 2016-2020 SLP Ltd	Acts as general partner of one or more limited partnership(s)
AlpInvest NPE GP B.V. **	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Partnership Fund GP S.à r.l. **	Luxembourg	100	The acquisition of participations, in Luxembourg or abroad, in any companies or enterprises in any form whatsoever, and the management of those participations
AlpInvest NPE GP LLC	Delaware	60 through AP Co-Invest 2016-2020 SLP Ltd	Acts as general partner of one or more limited partnership(s)

7. NOTES TO THE COMPANY BALANCE SHEET

(CONT'D)

Name of company	Registered office	% ownership	Core activities
AlpInvest Co-Investment VII GP, LLC	Delaware	60 through AP Co-Invest 2016-2020 SLP Ltd	Acts as general partner of one or more limited partnership(s)
AlpInvest NPE GP S.à r.l. **	Luxembourg	100	The acquisition of participations, in Luxembourg or abroad, in any companies or enterprises in any form whatsoever, and the management of those participations
ACF VII Employee Co-Investment (Non-US) LP	Grand Cayman, Cayman Islands	100 through AlpInvest Co-Investment VII GP, LLC	To invest in and hold the underlying interests in the ACF VII Fund
ACF VII Employee Co-Investment, L.P.	Grand Cayman, Cayman Islands	100 through AlpInvest Co-Investment VII GP, LLC	To invest in and hold the underlying interests in the ACF VII Fund
AlpInvest G GP B.V. **	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest G GP S.à.r.l. **	Luxembourg	100	The acquisition of participations, in Luxembourg or abroad, in any companies or enterprises in any form whatsoever, and the management of those participations
AlpInvest Finance Street GP LLC	Delaware	60 through AP Co-Invest 2016-2020 SLP Ltd	Acts as general partner of one or more limited partnership(s)
AlpInvest FS GP B. V. **	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest J GP B.V. **	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest G Co-Investment GP LLC	Delaware	60 through AP Co-Invest 2016-2020 SLP Ltd	Acts as general partner of one or more limited partnership(s)
AlpInvest G Secondary GP LLC	Delaware	60 through AP Co-Invest 2016-2020 SLP Ltd	Acts as general partner of one or more limited partnership(s)
AlpInvest PSS GP B.V. **	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest PSS GP, LLC	Delaware	60 through ASP VI 2016-2020 SLP Ltd	Acts as general partner of one or more limited partnership(s)
AlpInvest C GP, LLC	Delaware	60 through AP Co-Invest 2016-2020 SLP Ltd	Acts as general partner of one or more limited partnership(s)
AlpInvest J GP, LLC	Delaware	60 through ASP VI 2016-2020 SLP Ltd and AP Co-Invest 2016-2020 SLP Ltd	Acts as general partner of one or more limited partnership(s)
AlpInvest MMBO Holdings GP, LLC	Delaware	60 through AP Primary 2017-2021 SLP LTD	Acts as general partner of one or more limited partnership(s)
AP Primary 2017-2021 SLP Ltd.	Grand Cayman, Cayman Islands	100 of management shares	The objects for which the company is established are unrestricted
AlpInvest KP GP Sarl**	Luxembourg	100	The acquisition of participations, in Luxembourg or abroad, in any companies or enterprises in any form whatsoever, and the management of those participations
AlpInvest Primary Non-US Co-Invest, L.P.	Grand Cayman, Cayman Islands	100 through AlpInvest MMBO Holdings GP, LLC	To invest in and hold the underlying interests in the MMBO Fund
AlpInvest Primary US Co-Invest, L.P.	Grand Cayman, Cayman Islands	100 through AlpInvest MMBO Holdings GP, LLC	To invest in and hold the underlying interests in the MMBO Fund
AlpInvest M GP B.V.	Amsterdam	100	Acts as general partner of one or more limited partnership(s)

Name of company	Registered office	% ownership	Core activities
AP M GP LLC	Delaware	60 of carry through AP Co-Invest 2016-2020 SLP Ltd	Acts as general partner of one or more limited partnership(s)
AlpInvest P GP BV	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AP P GP LLC	Delaware	60 of carry through AP Co-Invest 2016-2020 SLP Ltd	Acts as general partner of one or more limited partnership(s)
AlpInvest FC CREDIT GP, LLC	Delaware	100 through AlpInvest US Holdings, LLC	Acts as general partner of one or more limited partnership(s)
AlpInvest M CAPITAL FUND GP, LLC	Delaware	100 through AlpInvest US Holdings, LLC	Acts as general partner of one or more limited partnership(s)
AlpInvest Private Equity Program GP II LLC	Delaware	100 through AlpInvest US Holdings, LLC	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners 2018 II B.V.	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Access II GP, LLC	Delaware	60 of carry through AP Co-Invest 2016-2020 SLP Ltd	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners Secondary Investments 2018/2019 I B.V.	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AP World Fund B.V.**	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Investments BV	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Private Equity Program 2017 GP, LLC	Delaware	60 of carry through ASP VI 2016-2020 SLP Ltd.	Acts as general partner of one or more limited partnership(s)
AlpInvest FCR SEC II GP LL	Delaware	60 of carry through ASP VI 2016-2020 SLP Ltd.	Acts as general partner of one or more limited partnership(s)
AlpInvest North Rush II GP LLC	Delaware	60 of carry through AP Co-Invest 2016-2020 SLP Ltd	Acts as general partner of one or more limited partnership(s)
AlpInvest Mex I LLC	Delaware	100 through AlpInvest Mex B.V.	Engages in any lawful act or activity for which limited liability companies
AlpInvest Mex II LLC	Delaware	100 through AlpInvest Mex B.V.	Engages in any lawful act or activity for which limited liability companies
AlpInvest Mex B.V.	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest Private Equity Program 2018 GP, LLC	Delaware	60 of carry through ASP VI 2016-2020 SLP Ltd.	Acts as general partner of one or more limited partnership(s)
AlpInvest GGG II GP B.V.**	Amsterdam	100	Hold entitlements for Perpetual Mandate
AlpInvest GRIO GP, LLC	Delaware	60 of carry Through ASP VI 2016-2020 SLP Ltd and AP Primary 2017-2021 SLP Ltd.	Acts as general partner of one or more limited partnership(s)
AlpInvest GRIO GP B.V.	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AlpInvest SIG Fund GP LLC**	Delaware	60 of carry through ASP VI 2016-2020 SLP Ltd.&AP Co-Invest 2016-2020 SLP Ltd.	Acts as general partner of one or more limited partnership(s)
AlpInvest Partners 2019 II B.V.	Amsterdam	100	Acts as general partner of 2019 PGGM primary mandate

7. NOTES TO THE COMPANY BALANCE SHEET

(CONT'D)

Name of company	Registered office	% ownership	Core activities
AlpInvest KP GP B.V.**	Amsterdam	100	Acts as general partner of one or more limited partnership(s)
AP INPRS SLP Ltd.	Cayman Islands	100	Acts as general partner of one or more limited partnership(s)

* AlpInvest Partners B.V. controls and consolidates all these entities as it holds one priority share in each of the entities. Stichting Administratie Kantoor AlpInvest Partners holds 100% of the ordinary shares in these entities. AlpInvest Partners B.V. holds the indicated percentage of the certificates issued by Stichting Administratie Kantoor AlpInvest Partners.

** These companies act as General Partner of CV's and hence are liable for the debts of these CV's to the extent of the BV's own equity.

*** These companies are not consolidated. All other companies in this list are consolidated.

7.4 Forward contracts

AlpInvest Partners B.V. did not enter into any hedge contracts in 2017 and 2018. At December 31, 2018 and at December 31, 2017 no forward contracts were outstanding.

7.5 Prepayments and accrued income

	December 31, 2018	December 31, 2017
Prepaid insurance fee	344	420
Amounts prepaid on behalf of related parties	2,015	2,746
Other prepaid items	881	1,139
Total	3,240	4,305

7.6 Cash

Cash is at the Company's free disposal.

7.7 Shareholders' equity

Share capital

The Company's authorized capital at year-end 2018 was €20,000,000 divided into 20,000 ordinary shares of €1,000 each. Issued share capital totals €4,000,000, consisting of 4,000 ordinary shares with a nominal value of €1,000 each. The issued shares are fully paid. (All figures in this paragraph are to the nearest euro).

Reserve for currency exchange differences

	2018	2017
Balance on January 1	320	719
Movements in the year	306	(399)
Balance on December 31	626	320

This reserve relates to the revaluation of AlpInvest Partners Ltd.

Legal reserve

	2018	2017
Balance on January 1	13	13
Released to/added from other reserves	82	-
Balance on December 31	95	13

This reserve relates to the positive difference of fair value less cost price of participations in private equity funds which are accounted for at fair market value.

Other reserves

	2018	2017
Balance on January 1	(19,197)	(16,923)
Profit previous year	32,977	26,975
Dividend paid out	(7,569)	(28,601)
Other movements	(843)	(648)
Released from/(moved to) legal reserve	(82)	-
Balance on December 31	5,286	(19,197)

The amount of total eligible funds net of deductions ("toetsingsvermogen") as reported to De Nederlandsche Bank in accordance with the requirements under the AIFMD amounts to €33,436 (2017: to €6,665). This amount consists of the shareholders' equity less the participation in group companies and unverified profit for the year (€3,369).

Total capital required based on assets under management according to the AIFMD regulation as per December 31, 2018 amounted to €3,334 (2017: €2,943). The solvency requirement based on the fixed cost calculation amounted to €6,002 (2017: €5,683).

7.8 Other short-term liabilities

	December 31, 2018	December 31, 2017
Personnel related items	8,832	8,261
Accrued expenses	1,313	869
Finders fees payable	860	1,132
Accrued rent expense	169	365
Total	11,174	10,627

7.9 Off-balance sheet commitments and contingencies

Multi-year financial obligations

Rental obligations amount to €879 per annum (2017: €879 per annum).

The monthly obligations for car leases amount to €22 (2017: €19). These contracts have an average remaining life of 28 months (2017: 24 months).

The monthly obligations for copiers amount to € 2 (2017: €2). The contracts have an average remaining life of 48 months (2017: 120 months).

The monthly obligation for an ICT service contract amounts to €63 (2017: €0). The contracts have an average remaining life of 29 months.

AlpInvest Partners B.V. entered into a contract for a video conferencing system. The contract started on February 1, 2018 and expires on January 31, 2023. The monthly obligation for this contract amounts to €5.

Guarantees

There are no outstanding guarantees on behalf of the Company.

Carried interest arrangements

Under various Mandates, the Company and some of its Group companies are entitled to receive carried interest if and when the investors have received proceeds equal to the aggregate amount of such investors' capital contributions in respect of investments made, plus an allocable share of fund expenses (including management fees) in relation to investments made on their behalf, plus a certain preferred return on the aggregate amount of capital invested. The Company has an obligation to pay out virtually all carried interest received in the form of bonuses to (former) employees. Also, all carried interest received by Group companies forms part of the share in the profit of holders of equity instruments other than the shareholders' of the Company. Hence, unrealized carried interest revenues for the Company are virtually equal to the amount to be paid in the future to the holders of the equity instruments. Timing of

carried interest revenues and related expenses is uncertain and depends on actual future cash flows and developments of the investments made by the Company, it is highly unlikely that the complete portfolio is sold at once. The amount is thus considered too uncertain, we are unable to take into account all these factors to estimate this amount.

8. SUPPLEMENTARY INFORMATION COMPANY FINANCIAL STATEMENTS

8.1 Remuneration policy

AlpInvest has adopted a Remuneration Policy with respect to Remuneration of Identified Staff (the "Policy"). AlpInvest's Supervisory Function is responsible for periodically testing the Policy and overseeing the implementation of the Policy. On an annual basis the Supervisory Function reviews whether a) this Policy is properly functioning, taking into account the general principles set out in the Policy, and b) whether remuneration awarded to Identified Staff in the given year is in compliance with the Policy.

Scope of the Policy

Identified Staff are those individuals that are employed by AlpInvest and whose professional activities have an actual or potential significant impact on:

- a) AlpInvest's results and balance sheet; or
- b) The performance of the AIFs and other funds under management.

AlpInvest has identified the following categories of its staff as Identified Staff:

- Senior Management;
- Managing Directors;
- Control Functions;
- Supervisory Function.

AlpInvest applies the Policy to all types of benefits or payments paid by AlpInvest and/or the AIFs to or for the benefit of Identified Staff, in exchange for professional services rendered by such Identified Staff (Remuneration).

Presently, AlpInvest awards the following types of Remuneration to Identified Staff, which fall under the scope of this Policy: a fixed component and a variable component. Payments or benefits that are part of a general, non-discretionary AlpInvest-wide policy and which pose no incentive, such as a pension scheme, are excluded from Remuneration.

Fixed component

The fixed component consists of a base salary. AlpInvest aims to achieve a proper balance between the fixed component and variable component, and to set the fixed component sufficiently high in order for the variable component to be able to decrease as a result of negative performance.

AlpInvest aims to set the fixed component sufficiently high to remunerate the professional services rendered by Identified Staff in line with the:

- a) level of education;
- b) degree of seniority;
- c) level of expertise and skills required;
- d) market constraints and job experience;
- e) relevant business sector and region.

Variable Component

The variable component consists of one or more of the following components:

Carried Interest

Pay out of Carried Interest for the management of the relevant AIF is deferred until AlpInvest has returned all capital contributed by the investors of the AIF it manages and an amount of profits at an agreed upon hurdle rate (if any) to the investor of the AIF.

Carried Interest entitlement is awarded at the initiation of the AIF (or when a risk taker is employed by AlpInvest or any of its affiliates thereafter, at such a later date), and is subject to vesting. Carried Interest entitlement vests on a monthly basis, typically at a minimum during the investment period of the mandate. Carried interest will vest as long as the Risk Taker is employed by AlpInvest or any of its affiliates. Should the employment contract between the Risk Taker and AlpInvest or any of its affiliated terminate sooner than the term of the mandate, the Risk Taker will, depending on circumstances, forfeit (part of) the carried interest allocation.

Bonus

The Bonus consists of a discretionary annual cash payment, and is designed to reward Identified Staff for individual performance, and performance by AlpInvest overall. The Bonus of Control Functions is based on function specific objectives (achievement of the objectives linked to their functions) and is independent of the performance of the business areas they control or AlpInvest-wide performance.

In addition, certain Identified Staff may receive Deferred Restricted Units ("DRU(s)"). A DRU represents an unfunded, unsecured right of Identified Staff to receive a Common Unit issued by The Carlyle Group L.P. on the delivery date. DRU(s) vest in annual instalments and provide for long-term alignment between the interests of relevant Identified Staff and AlpInvest's investors. If the contract between the Risk Taker and AlpInvest or any of its affiliates ceases, the portion of the DRU award that has not yet vested will be cancelled immediately and the Risk Taker forfeits all rights to such portion of the Award as of the date of such termination.

For a group of senior employees, approximately 10% of the projected bonus may be held back and paid at a later date depending on AlpInvest's financial results, the respective Fund or Department's financial performance against budget and their individual performance. A 10% holdback may be paid via a grant of DRU(s) on or about February 1 of the following year.

Members of the Supervisory Function are only compensated (if any) with Remuneration consisting of a fixed component.

Lastly, management may at its discretion grant promotion DRU(s) which fully vest over a three-and-a-half-year term. In such an instance, DRU(s) granted vest in thirds according to the following schedule: 1.5 years, 1 year and 1 year.

	“Identified Staff” ⁴	All Employees of AlpInvest Partners B.V.
Number of employees (average over 2018) ³	21.0	86.5
Remuneration		
Total Remuneration 2018 ³	19,590	20,509
Remuneration Categories		
Total Fixed Remuneration 2018 ²	4,838	8,791
Total Variable Remuneration (based on performance) 2018 ^{1,2,3}	14,752	11,718
Carried Interest		
Total Variable Remuneration (AIF-related – carried interest) ²	13,223	9,955

¹ Four employees earned variable compensation in 2018 in excess of €1 million (excluding carried interest).

² Total variable remuneration includes 2018 DRU compensation. The DRU compensation is an awarded (confirmed) amount.

³ The remuneration disclosure does not include two members of the Managing Board that are on the payroll of The Carlyle Group.

⁴ Identified staff includes employees located in Amsterdam (11 employees), Hong Kong (2 employees) and New York (8 employees), not just those employed by AlpInvest Partners B.V.

As required by section 1:120 of the Dutch act on the financial supervision (“Wet op het financieel toezicht”), please see below certain information regarding the remuneration of employees of AlpInvest Partners B.V.

Related to and in 2018, 88 employees of AlpInvest Partners B.V. received variable remuneration which included performance-based variable remuneration and / or variable remuneration from carried interest. The total amount of variable remuneration paid to employees amounted to €30,678. Ten employees, both active in operations as well as the investment side of the business, received total compensation of €1 million or more (fixed remuneration plus variable remuneration).

Please note:

- All remuneration disclosed above is on an accrual basis except for the amount of DRU(s) which is based on the value at the award date in the current year (2018). See Note 2 (page 48).
- USD amounts are converted to EUR (where applicable) at an average rate of 1.18.
- HKD amounts are converted to EUR (where applicable) at an average rate of 9.26.

8. SUPPLEMENTARY INFORMATION COMPANY FINANCIAL STATEMENTS

(CONT'D)

8.2 Further information on Directors' remuneration

The remuneration of Directors of the Company included in the income statement amount to the following:

	2018	2017
Salaries and wages	1,104	1,102
Bonuses	1,251	1,884
Pension charges	135	108
Other personnel expenses and social charge	107	87
Total	2,597	3,181

Equity value accumulated due to carried interest distributions to which the Directors are entitled amounted to €6,113 (2017: €6,281) This is the Director's part of "Other shareholders" as presented in note 4.10 to the consolidated balance sheet and note 5.9 to the consolidated income statement.

Since 2011, Alpinvest Partners' management has agreed to make significant personal investments in the Company's private equity programs alongside its investors.

8.3 Profit appropriation

The articles of association stipulate that the general meeting of shareholders can decide to declare an interim dividend.

- On May 29, 2018 the shareholders have declared a final dividend of €7.6 million over 2017.

This dividend was paid out to the shareholders on declaration date from the other reserves and has been recognized in the 2018 company balance sheet.

The Managing Board proposes to pay out €28.7 million from the other reserves as dividend to the shareholders. This proposal has not been recognized in the 2018 company balance sheet.

8.4 Subsequent events

There are no subsequent events.

Amsterdam, May 28, 2019

The Managing Board

J.P. de Klerk, Chairman
L.B. Dillard
W.J. Moerel
G.A. Youngkin

Alpinvest Partners B.V.
Jachthavenweg 118
1081 KJ Amsterdam
The Netherlands

OTHER INFORMATION

Statutory appropriation of result

The articles of association stipulate that the general meeting of shareholders can decide to declare an interim dividend.

INDEPENDENT AUDITOR'S REPORT

To: the shareholders and the Managing Board of Alpinvest Partners B.V.

Report on the audit of the financial statements 2018 included in the annual report Our opinion

We have audited the financial statements 2018 of Alpinvest Partners B.V., based in Amsterdam.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Alpinvest Partners B.V. as at 31 December 2018, and of its result for 2018 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- The consolidated and company balance sheet as at 31 December 2018
- The consolidated and company income statement for 2018
- The notes comprising a summary of the accounting policies and other explanatory information

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the financial statements" section of our report.

We are independent of Alpinvest Partners B.V. in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Report on other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- The Report of the Management Board
- Other information pursuant to Part 9 of Book 2 of the Dutch Civil Code

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the management board's report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information pursuant to Part 9 of Book 2 of the Dutch Civil Code.

Description of responsibilities for the financial statements Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all material errors and fraud.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.,:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures.
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Amsterdam, 28 May 2019
Ernst & Young Accountants LLP

signed by Q. Tsar

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